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AMENDED IN SENATE AUGUST 20, 1996  
AMENDED IN SENATE AUGUST 6, 1996  
AMENDED IN SENATE JULY 7, 1996  
AMENDED IN SENATE JUNE 24, 1996  
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AMENDED IN ASSEMBLY MAY 8, 1995

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1683**

**Introduced by Assembly Member Conroy  
(Principal coauthor: Assembly Member Katz)**

February 24, 1995

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An act to add Section 16728 to the Business and Professions Code, to amend Sections 3710.3 and 3716.4 of the Labor Code, to amend Sections 211, 212, 214.5, ~~216~~, 622, 727, 728.5, 731, 768, 816.5, 1904, 2107.5, 2117, 2119, 4000, 4001, 4005, 4006, 4007, 4010, 4015, 4022, 5001, 5003.1, and 5005 of, to amend the heading of Chapter 2.5 (commencing with Section 4000) of Division 2 of, to add ~~Section~~ *Sections 216.5 and 224.6* to, to add Article 9 (commencing with Section 5325) to Chapter 7 of Division 2 of, to add Chapter 1 (commencing with Section 3901) to

Division 2 of, to repeal Sections 213, 214.1, 421.5, 452.1, 452.2, 454.1, 460.5, 586, 726, 1010, 4008.1, and 5004 of, and to repeal Article 4 (commencing with Section 1061) of Chapter 5 of Part 1 of Division 1, Chapter 1 (commencing with Section 3501), Chapter 2 (commencing with Section 3901), Chapter 2.7 (commencing with Section 4120), Chapter 3 (commencing with Section 4301), and Chapter 5 (commencing with Section 4801) of Division 2 of, the Public Utilities Code, to add Part 1.55 (commencing with Section 7231) to Division 2 of the Revenue and Taxation Code, to amend Sections 1808.1, 34505.6, 34505.7, and 40000.22 of, to add Division 14.85 (commencing with Section 34600) to, and to repeal Section 1808.3 of, the Vehicle Code, and to amend the Budget Act of 1996 (Chapter 162 of the Statutes of 1996) by amending Items 8660-001-0412 and 8660-001-0462 of Section 2.00 thereof, relating to carriers, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1683, as amended, Conroy. Public utilities: carriers.

Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities including highway carriers, household goods carriers, and charter-party carriers. The Federal Aviation Administration Authorization Act of 1994 (P.L. 103-305) preempts state regulation of prices, routes, and services of motor carriers.

This bill would revise various provisions of state law to reflect the federal preemption.

The bill would also require that all moneys paid into the Transportation Rate Fund by highway common carriers, cement carriers, integrated intermodal small package carriers and highway permit carriers, except for moneys paid by household goods carriers, be used by the Public Utilities Commission solely for the purposes permitted by state and federal law, among which are the regulation of the safety and financial responsibility of carriers. This provision would remain operative only so long as the federal law relating to the



preemption provisions relating to carriers is operative or until January 1, 1997.

This bill would transfer authority for the regulation of safety with respect to motor carriers of property, as defined by the bill, excepting household goods carriers, from the Public Utilities Commission to the Department of Motor Vehicles and the Department of the California Highway Patrol, as of January 1, 1997. The bill would make related and conforming changes.

This bill would, as of January 1, 1997, impose a permit fee on motor carriers of property to be deposited in the Motor Carriers Fund in the State Treasury which is created by the bill.

The bill would provide that the permit fee would be comprised of a safety fee and a cargo theft interdiction fee, that would be available for appropriation for the purposes of the bill, and a business license tax fee, that would replace the present business license tax on highway carriers, the revenues of which would not exceed the revenues derived from the present business license tax, and would be required to be transferred to the General Fund.

The bill would, on January 1, 1997, transfer \$7,300,000 from the Transportation Rate Fund to the Motor Carriers Permit Fund, that would be appropriated to the Department of Motor Vehicles and the Department of the Highway Patrol for purposes of the bill.

The bill would amend Items 8660-001-0412 and 8660-001-0462 of the Budget Act of 1996 by revising specified amounts payable for the support of the Public Utilities Commission from the Transportation Rate Fund.

Existing law states legislative findings and the purposes for the Passenger Charter-Party Carriers' Act.

This bill would add to those purposes the promotion of carrier and public safety through transportation agencies' safety enforcement regulations.

This bill would impose a state-mandated local program by making it a crime to violate specified provisions of the bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated

by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. This act shall be known and may be cited  
2 as the Motor Carrier Safety Improvement Act of 1996.

3 SEC. 1.5. The Legislature finds that the provisions of  
4 the Public Utilities Code that authorize the Public  
5 Utilities Commission to regulate the rates, routes and  
6 services of highway carriers engaged in for-hire  
7 transportation of property between points within  
8 California have been preempted by federal law (P.L.  
9 103-305). It is the intention of the Legislature by this  
10 enactment to exercise the power over motor carriers of  
11 property authorized by P.L. 103-305.

12 SEC. 2. Section 16728 is added to the Business and  
13 Professions Code, to read:

14 16728. Notwithstanding any other provision of law,  
15 motor carriers of property, as defined in Section 34601 of  
16 the Vehicle Code, may voluntarily elect to participate in  
17 uniform cargo liability rules, uniform bills of lading or  
18 receipts for property being transported, uniform cargo  
19 credit rules, joint line rates or routes, classifications and  
20 mileage guides. Motor carriers of property that so elect  
21 shall comply with all requirements of Section 11501 of  
22 Title 49 of the United States Codes (P.L. 103-305 Section  
23 601(c)) and with federal regulations promulgated  
24 pursuant thereto. The Legislature intends by this section  
25 to provide to motor carriers of property the antitrust  
26 immunity authorized by state action pursuant to Section  
27 11501(h)(3) of Title 49 of the United States Code.

28 SEC. 2.3. Section 3710.3 of the Labor Code is  
29 amended to read:



1 3710.3. Whenever a stop order has been issued  
2 pursuant to Section 3701.1 to a motor carrier of property  
3 subject to the jurisdiction and control of the Department  
4 of Motor Vehicles or to a household goods carrier,  
5 passenger stage corporation, or charter-party carrier of  
6 passengers subject to the jurisdiction and control of the  
7 Public Utilities Commission, the director shall transmit  
8 the stop order to the Public Utilities Commission or the  
9 Department of Motor Vehicles, whichever has  
10 jurisdiction over the affected carrier, within 30 days.

11 SEC. 2.5. Section 3716.4 of the Labor Code is  
12 amended to read:

13 3716.4. Whenever a final judgment has been entered  
14 against a motor carrier of property subject to the  
15 jurisdiction and control of the Department of Motor  
16 Vehicles or a passenger stage corporation, charter-party  
17 carrier of passengers, or a household goods carrier subject  
18 to the jurisdiction and control of the Public Utilities  
19 Commission as a result of an award having been made  
20 pursuant to Section 3716.2, the director may transmit to  
21 the Public Utilities Commission or the Department of  
22 Motor Vehicles, whichever has jurisdiction over the  
23 affected carrier, a copy of the judgment along with the  
24 name and address of the regulated entity and any other  
25 persons, corporations, or entities named in the judgment  
26 which are jointly and severally liable for the debt to the  
27 State Treasury with a complaint requesting that the  
28 Public Utilities Commission or the Department of Motor  
29 Vehicles immediately revoke the carrier's Public Utilities  
30 Commission certificate of public convenience and  
31 necessity or Department of Motor Vehicles motor carrier  
32 permit.

33 SEC. 3. Section 211 of the Public Utilities Code is  
34 amended to read:

35 211. "Common carrier" means every person and  
36 corporation providing transportation for compensation  
37 to or for the public or any portion thereof, except as  
38 otherwise provided in this part.

39 "Common carrier" includes:

1 (a) Every railroad corporation; street railroad  
2 corporation; dispatch, sleeping car, dining car,  
3 drawing-room car, freight, freightline, refrigerator, oil,  
4 stock, fruit, car-loaning, car-renting, car-loading, and  
5 every other car corporation or person operating for  
6 compensation within this state.

7 (b) Every corporation or person, owning, controlling,  
8 operating, or managing any vessel used in the  
9 transportation of persons or property for compensation  
10 between points upon the inland waters of this state or  
11 upon the high seas between points within this state,  
12 except as provided in Section 212. "Inland waters" as used  
13 in this section includes all navigable waters within this  
14 state other than the high seas.

15 (c) Every "passenger stage corporation" operating  
16 within this state.

17 SEC. 4. Section 212 of the Public Utilities Code is  
18 amended to read:

19 212. "Common carrier" shall not include:

20 (a) Any corporation or person owning, controlling,  
21 operating, or managing any vessel, by reason of the  
22 furnishing of water transportation service between points  
23 upon the inland waters of this state or upon the high seas  
24 between points within this state for affiliated or parent or  
25 subsidiary companies or for the products of other  
26 corporations or persons engaged in the same industry, if  
27 the water transportation service is furnished in tank  
28 vessels or barges specially constructed to hold liquids or  
29 fluids in bulk and if the service is not furnished to others  
30 not engaged in the same industry.

31 (b) Any corporation or person who operates any vessel  
32 for the transportation of persons for compensation,  
33 between points in this state if one terminus of every trip  
34 operated by the corporation or person is within the  
35 boundaries of a United States military reservation and is  
36 performed under a contract with an agency of the federal  
37 government which specifies the terms of service to be  
38 provided; and provided that the corporation or person  
39 does not perform any service between termini within this  
40 state which are outside of a United States military

1 reservation. For the purposes of this subdivision, the  
2 conditions of this exemption shall be reviewed by the  
3 Public Utilities Commission annually as of the first day of  
4 January of each year.

5 (c) Any corporation or person owning, controlling,  
6 operating, or managing any recreational conveyance  
7 such as a ski lift, ski tow, J-bar, T-bar, chair lift, aerial  
8 tramway, or other device or equipment used primarily  
9 while participating in winter sports activities.

10 (d) Any corporation or person furnishing or otherwise  
11 providing transportation by horse, mule, or other equine  
12 animal for entertainment or recreational purposes.

13 (e) Any motor carrier of property, as defined in  
14 Section 34601 of the Vehicle Code.

15 SEC. 5. Section 213 of the Public Utilities Code is  
16 repealed.

17 SEC. 6. Section 214.1 of the Public Utilities Code is  
18 repealed.

19 SEC. 7. Section 214.5 of the Public Utilities Code is  
20 amended to read:

21 214.5. With respect to a motor vehicle used in the  
22 transportation of passengers for compensation by a  
23 passenger stage corporation, "owner" means the  
24 corporation or person who is registered with the  
25 Department of Motor Vehicles as the owner of the  
26 vehicle, or who has a legal right to possession of the  
27 vehicle pursuant to a lease or rental agreement.

28 ~~SEC. 8. Section 216 of the Public Utilities Code is~~  
29 ~~amended to read:~~

30 ~~216. (a) "Public utility" includes every common~~  
31 ~~carrier, toll bridge corporation, pipeline corporation, gas~~  
32 ~~corporation, electrical corporation, telephone~~  
33 ~~corporation, telegraph corporation, water corporation,~~  
34 ~~sewer system corporation, and heat corporation, where~~  
35 ~~the service is performed for, or the commodity is~~  
36 ~~delivered to, the public or any portion thereof.~~

37 ~~(b) Whenever any common carrier, toll bridge~~  
38 ~~corporation, pipeline corporation, gas corporation,~~  
39 ~~electrical corporation, telephone corporation, telegraph~~  
40 ~~corporation, water corporation, sewer system~~

1 ~~corporation, or heat corporation performs a service for,~~  
2 ~~or delivers a commodity to, the public or any portion~~  
3 ~~thereof for which any compensation or payment~~  
4 ~~whatsoever is received, that common carrier, toll bridge~~  
5 ~~corporation, pipeline corporation, gas corporation,~~  
6 ~~electrical corporation, telephone corporation, telegraph~~  
7 ~~corporation, water corporation, sewer system~~  
8 ~~corporation, or heat corporation, is a public utility subject~~  
9 ~~to the jurisdiction, control, and regulation of the~~  
10 ~~commission and the provisions of this part.~~

11 ~~(e) When any person or corporation performs any~~  
12 ~~service for, or delivers any commodity to, any person,~~  
13 ~~private corporation, municipality, or other political~~  
14 ~~subdivision of the state, which in turn either directly or~~  
15 ~~indirectly, mediately or immediately, performs that~~  
16 ~~service for, or delivers that commodity to, the public or~~  
17 ~~any portion thereof, that person or corporation is a public~~  
18 ~~utility subject to the jurisdiction, control, and regulation~~  
19 ~~of the commission and the provisions of this part.~~

20 ~~(d) Ownership or operation of a facility which~~  
21 ~~employs cogeneration technology or produces power~~  
22 ~~from other than a conventional power source or the~~  
23 ~~ownership or operation of a facility which employs~~  
24 ~~landfill gas technology does not make a corporation or~~  
25 ~~person a public utility within the meaning of this section~~  
26 ~~solely because of the ownership or operation of such a~~  
27 ~~facility.~~

28 ~~(e) Any corporation or person engaged directly or~~  
29 ~~indirectly in developing, producing, transmitting,~~  
30 ~~distributing, delivering, or selling any form of heat~~  
31 ~~derived from geothermal or solar resources or from~~  
32 ~~cogeneration technology to any privately owned or~~  
33 ~~publicly owned public utility, or to the public or any~~  
34 ~~portion thereof, is not a public utility within the meaning~~  
35 ~~of this section solely by reason of engaging in any of those~~  
36 ~~activities.~~

37 ~~(f) The ownership or operation of a facility which sells~~  
38 ~~compressed natural gas at retail to the public for use only~~  
39 ~~as a motor vehicle fuel, and the selling of compressed~~  
40 ~~natural gas at retail from such a facility to the public for~~



~~use only as a motor vehicle fuel, does not make the corporation or person a public utility within the meaning of this section solely because of that ownership, operation, or sale.~~

~~(g) “Public utility” does not include a motor carrier of property.~~

SEC. 8. *Section 216.5 is added to the Public Utilities Code, to read:*

*216.5. Notwithstanding Section 216, “public utility” does not include a motor carrier of property.*

SEC. 9. Section 421.5 of the Public Utilities Code is repealed.

SEC. 10. Section 224.6 is added to the Public Utilities Code, to read:

224.6. “Motor carrier of property” means a motor carrier of property as defined in Section 34601 of the Vehicle Code.

SEC. 11. Section 452.1 of the Public Utilities Code is repealed.

SEC. 12. Section 452.2 of the Public Utilities Code is repealed.

SEC. 13. Section 454.1 of the Public Utilities Code is repealed.

SEC. 14. Section 460.5 of the Public Utilities Code is repealed.

SEC. 15. Section 586 of the Public Utilities Code is repealed.

SEC. 16. Section 622 of the Public Utilities Code is amended to read:

622. (a) As used in this section, “motor carrier” means:

A passenger stage corporation as defined in Section 226.

(b) As used in this section, “water carrier” means a common carrier operating upon any waterway in this state between fixed termini or over a regular route.

(c) A motor carrier or water carrier may condemn any property necessary for the construction and maintenance of terminal facilities for the receipt, transfer, or delivery of the passengers or property it carries or for other terminal facilities of any such carrier.

1 SEC. 17. Section 726 of the Public Utilities Code is  
2 repealed.

3 SEC. 18. Section 727 of the Public Utilities Code is  
4 amended to read:

5 727. It is the policy of the state that the use of all  
6 waterways, ports, and harbors of this state shall be  
7 encouraged, and to that end the commission is directed  
8 in the establishment of rates for water carriers applying  
9 to business moving between points within this state to fix  
10 those rates at such a differential under the rates of  
11 competing land carriers that the water carriers shall be  
12 able fairly to compete for such business. In fixing the rates  
13 there shall be taken into consideration quality and  
14 regularity of service and class and speed of vessels.

15 SEC. 19. Section 728.5 of the Public Utilities Code is  
16 amended to read:

17 728.5. The commission may establish rates or charges  
18 for the transportation of passengers and freight by  
19 railroads and other transportation companies, except  
20 motor carriers of property, and no railroad or other  
21 transportation company, except motor carriers of  
22 property, shall charge or demand or collect or receive a  
23 greater or less or different compensation for such  
24 transportation of passengers or freight, or for any service  
25 in connection therewith, between the points named in  
26 any tariff of rates established by the commission than the  
27 rates, fares and charges which are specified in such tariff.  
28 The commission may examine books, records and papers  
29 of all railroad and other transportation companies, except  
30 motor carriers of property; may hear and determine  
31 complaints against railroad and other transportation  
32 companies; and may issue subpoenas and all necessary  
33 process and send for persons and papers. The commission  
34 and each of the commissioners may administer oaths, take  
35 testimony and punish for contempt in the same manner  
36 and to the same extent as courts of record. The  
37 commission may prescribe a uniform system of accounts  
38 to be kept by all railroad and other transportation  
39 companies, except motor carriers of property.



1 SEC. 20. Section 731 of the Public Utilities Code is  
2 amended to read:

3 731. Whenever the commission, after a hearing, finds  
4 that any rate or toll for the transportation of property is  
5 lower than a reasonable or sufficient rate and that the rate  
6 is not justified by actual competitive transportation rates  
7 of competing carriers, or the cost of other means of  
8 transportation, the commission shall prescribe such rates  
9 as will provide an equality of transportation rates for the  
10 transportation of property between all such competing  
11 agencies of transportation, except motor carriers of  
12 property. When in the judgment of the commission a  
13 differential is necessary to preserve equality of  
14 competitive transportation conditions, a reasonable  
15 differential between rates of common carriers by rail and  
16 water for the transportation of property may be  
17 maintained by such carriers, and the commission may by  
18 order require the establishment of such rates.

19 SEC. 21. Section 768 of the Public Utilities Code is  
20 amended to read:

21 768. The commission may, after a hearing, require  
22 every public utility to construct, maintain, and operate its  
23 line, plant, system, equipment, apparatus, tracks, and  
24 premises in a manner so as to promote and safeguard the  
25 health and safety of its employees, passengers, customers,  
26 and the public. The commission may prescribe, among  
27 other things, the installation, use, maintenance, and  
28 operation of appropriate safety or other devices or  
29 appliances, including interlocking and other protective  
30 devices at grade crossings or junctions and block or other  
31 systems of signaling. The commission may establish  
32 uniform or other standards of construction and  
33 equipment, and require the performance of any other act  
34 which the health or safety of its employees, passengers,  
35 customers, or the public may demand. The Department  
36 of the California Highway Patrol shall have the primary  
37 responsibility for the regulation of the safety of operation  
38 of passenger stage corporations. The commission shall  
39 cooperate with the Department of the California  
40 Highway Patrol to ensure safe operation of these carriers.

1 SEC. 22. Section 816.5 of the Public Utilities Code is  
2 amended to read:

3 816.5. Nothing in this article or in Article 6  
4 (commencing with Section 851) requires a common  
5 carrier by railroad subject to the Interstate Commerce  
6 Act (49 U.S.C. Sec. 10101 et seq.) or passenger stage  
7 corporation to secure from the commission authority to  
8 execute any conditional sales contract for the purchase of  
9 motor vehicle or railroad equipment or any note or  
10 chattel mortgage on that equipment securing the  
11 payment of all, or any part, of the purchase price.

12 SEC. 22.5. Section 1010 of the Public Utilities Code is  
13 repealed.

14 SEC. 23. Article 4 (commencing with Section 1061) of  
15 Chapter 5 of Part 1 of Division 1 of the Public Utilities  
16 Code is repealed.

17 SEC. 24. Section 1904 of the Public Utilities Code is  
18 amended to read:

19 1904. The commission shall also charge and collect the  
20 following fees:

21 (a) Except as otherwise provided in Sections 1010 and  
22 1036 for filing each application for a certificate of public  
23 convenience and necessity, or for the mortgage, lease,  
24 transfer, or assignment thereof, seventy-five dollars  
25 (\$75).

26 (b) For a certificate authorizing an issue of bonds,  
27 notes, or other evidences of indebtedness, two dollars  
28 (\$2) for each one thousand dollars (\$1,000) of the face  
29 value of the authorized issue or fraction thereof up to one  
30 million dollars (\$1,000,000), one dollar (\$1) for each one  
31 thousand dollars (\$1,000) over one million dollars  
32 (\$1,000,000) and up to ten million dollars (\$10,000,000),  
33 and fifty cents (\$0.50) for each one thousand dollars  
34 (\$1,000) over ten million dollars (\$10,000,000), with a  
35 minimum fee in any case of fifty dollars (\$50). No fee  
36 need be paid on such portion of any such issue as may be  
37 used to guarantee, take over, refund, discharge, or retire  
38 any stock, bond, note or other evidence of indebtedness  
39 on which a fee has theretofore been paid to the  
40 commission. If the commission modified the amount of

1 the issue requested in any case and the applicant  
2 thereupon elects not to avail itself of the commission's  
3 authorization, no fee shall be paid, and if such fee is paid  
4 prior to the issuance of such certificate by the  
5 commission, such fee shall be returned.

6 SEC. 25. Section 2107.5 of the Public Utilities Code is  
7 amended to read:

8 2107.5. When the commission finds, after hearing,  
9 that any person or corporation has knowingly aided or  
10 abetted a common carrier in violating Section 458 or has  
11 violated Section 459, or any order, decision, rule,  
12 regulation, direction, demand, or requirement issued  
13 under those provisions, the commission may impose a fine  
14 for each violation not to exceed five thousand dollars  
15 (\$5,000). In addition to the fine, the commission may  
16 impose interest on the fine, not to exceed the maximum  
17 rate of interest provided for in Section 1 of Article XV of  
18 the Constitution. Interest shall commence to accrue on  
19 the date when the payment of the fine becomes  
20 delinquent.

21 SEC. 26. Section 2117 of the Public Utilities Code is  
22 amended to read:

23 2117. (a) Whenever a written notice to appear has  
24 been mailed to the owner of a passenger stage, an exact  
25 and legible duplicate copy of the notice, when filed with  
26 the magistrate in lieu of a verified complaint, is a  
27 complaint to which the defendant may plead guilty.

28 (b) If, however, the defendant fails to appear, does not  
29 deposit bail, or pleads other than guilty to the offense  
30 charged, a complaint shall be filed which conforms to  
31 Chapter 2 (commencing with Section 948) of Title 5 of  
32 Part 2 of the Penal Code and which shall be deemed to be  
33 an original complaint, and thereafter the proceeding shall  
34 be held as provided by law, except that the defendant  
35 may, by an agreement in writing, subscribed by the  
36 defendant and filed with the court, waive the filing of a  
37 verified complaint and elect that the prosecution may  
38 proceed upon a written notice to appear.

39 SEC. 27. Section 2119 of the Public Utilities Code is  
40 amended to read:

1 2119. Every passenger stage corporation and every  
2 officer, director, agent, or employee of a passenger stage  
3 corporation, who displays on any vehicle any identifying  
4 symbol other than one prescribed by the commission  
5 pursuant to Section 1038.5, or who fails to remove an  
6 identifying symbol when required by the commission, is  
7 guilty of a misdemeanor and is punishable by a fine of not  
8 more than one thousand dollars (\$1,000), by  
9 imprisonment in the county jail for not more than one  
10 year, or by both.

11 SEC. 28. Chapter 1 (commencing with Section 3501)  
12 of Division 2 of the Public Utilities Code is repealed.

13 SEC. 29. Chapter 2 (commencing with Section 3901)  
14 of Division 2 of the Public Utilities Code is repealed.

15 SEC. 29.5. Chapter 1 (commencing with Section  
16 3901) is added to Division 2 of the Public Utilities Code,  
17 to read:

18

19 CHAPTER 1. INTERSTATE AND FOREIGN MOTOR CARRIERS  
20 OF HOUSEHOLD GOODS AND PASSENGERS ACT

21

22 Article 1. General Provisions

23

24 3901. This chapter may be cited as the Interstate and  
25 Foreign Motor Carriers of Household Goods and  
26 Passengers Act.

27 3902. (a) No household goods carrier, as defined in  
28 Section 5109, shall engage in any interstate or foreign  
29 transportation of property for compensation by motor  
30 vehicle, and no motor carrier shall engage in any  
31 interstate or foreign transportation of passengers for  
32 compensation by motor vehicle, on any public highway  
33 in this state without first having registered the operation  
34 with the commission or the carrier's base registration  
35 state, if other than California, as determined in  
36 accordance with final regulations issued by the Interstate  
37 Commerce Commission pursuant to the Intermodal  
38 Surface Transportation Efficiency Act of 1991 (49 U.S.C.  
39 Sec. 11506). To register with the commission, carriers  
40 specified in this section shall comply with the following:



(1) When the operation requires authority from the Interstate Commerce Commission under the Interstate Commerce Act, or authority from another federal regulatory agency, a copy of that authority shall be filed with the initial application for registration. A copy of any additions or amendments to the authority shall be filed with the commission.

(2) If the operation does not require authority from the Interstate Commerce Commission under the Interstate Commerce Act, or authority from another federal regulatory agency, an affidavit of that exempt status shall be filed with the application for registration.

(3) The commission shall grant registration upon the filing of the application pursuant to applicable law and the payment of any applicable fees, subject to the carrier's compliance with this chapter.

3903. Household goods carriers, as defined in Section 5109, engaged in interstate or foreign transportation or property for compensation by motor vehicle, and motor carriers engaged in interstate or foreign transportation of passengers for compensation by motor vehicle, upon any public highway in this state who had registered their authority from the Interstate Commerce Commission with the commission pursuant to former Section 3810 are not required to file another initial application as prescribed in paragraph (1) of subdivision (a) of Section 3902.

SEC. 30. The heading of Chapter 2.5 (commencing with Section 4000) of Division 2 of the Public Utilities Code is amended to read:

CHAPTER 2.5. PRIVATE CARRIERS OF PASSENGERS

SEC. 31. Section 4000 of the Public Utilities Code is amended to read:

4000. This chapter may be cited as the Private Carriers of Passengers Registration Act.

SEC. 32. Section 4001 of the Public Utilities Code is amended to read:

1 4001. (a) For purposes of this chapter, “private  
2 carrier” means a not-for-hire motor carrier, as defined in  
3 Section 408 of the Vehicle Code, who transports  
4 passengers and is required to display a carrier  
5 identification number pursuant to Section 34507.5 of the  
6 Vehicle Code, but does not include persons providing  
7 transportation services specified in subdivision (k) or (l)  
8 of Section 5353.

9 (b) For purposes of this chapter, “department” means  
10 the Department of the California Highway Patrol.

11 SEC. 33. Section 4005 of the Public Utilities Code is  
12 amended to read:

13 4005. Except as provided in Section 4008, no private  
14 carrier of passengers shall operate a motor vehicle on any  
15 public highway in this state unless its operation is  
16 currently registered with the commission. The  
17 commission shall grant registration upon the filing of the  
18 application and the payment of the fee as required by this  
19 article, subject to the private carrier of passengers’  
20 compliance with this chapter.

21 SEC. 34. Section 4006 of the Public Utilities Code is  
22 amended to read:

23 4006. (a) A fee of twenty-five dollars (\$25) shall be  
24 paid to the commission for the filing of the initial  
25 registration of private carriers of passengers, and an  
26 annual renewal fee of twenty dollars (\$20) shall also be  
27 paid by private carriers of passengers. The fees required  
28 to be paid by carriers of passengers pursuant to this  
29 section shall be deposited in the Public Utilities  
30 Commission Transportation Reimbursement Account in  
31 the General Fund.

32 (b) Notwithstanding subdivision (a), the commission  
33 may increase the amount of the initial registration fee to  
34 not more than thirty-five dollars (\$35) in the case of  
35 private carriers of passengers, and the amount of the  
36 annual renewal fee to not more than thirty dollars (\$30)  
37 in the case of private carriers of passengers if the  
38 commission finds and determines that to do so is  
39 necessary to defray the costs of implementing Section  
40 4022. If the commission increases the fee pursuant to this



1 subdivision, it shall prepare and transmit to the Joint  
2 Legislative Budget Committee, the Assembly  
3 Committee on Utilities and Commerce, and the Senate  
4 Committee on Energy and Public Utilities a report of the  
5 amount of the increase instituted together with an  
6 audited statement of the receipts and disbursements  
7 related to the administration of private carrier of  
8 passengers registrations.

9 SEC. 35. Section 4007 of the Public Utilities Code is  
10 amended to read:

11 4007. (a) When the department issues a carrier  
12 identification number pursuant to Section 34507.5 of the  
13 Vehicle Code to a private carrier of passengers, it shall  
14 inform the carrier of the provisions of this chapter and the  
15 requirement that the carrier register with the Public  
16 Utilities Commission.

17 (b) The department shall periodically, but not less  
18 frequently than quarterly, transmit to the commission a  
19 list of the persons, firms, and corporations to whom it has  
20 issued a carrier identification number. Upon receipt of  
21 the list, the commission shall notify the private carriers of  
22 passengers of the registration requirements and of the  
23 penalties for failure to register.

24 SEC. 36. Section 4008.1 of the Public Utilities Code is  
25 repealed.

26 SEC. 37. Section 4010 of the Public Utilities Code is  
27 amended to read:

28 4010. (a) Registration shall not be granted to any  
29 private carrier of passengers until there is filed with and  
30 accepted by the commission, in the form that it  
31 prescribes, a currently effective certificate of insurance  
32 or a surety bond evidencing protection against liability  
33 imposed by law for the payment of damages for personal  
34 injury to, or death of, any person or property damage, or  
35 both.

36 (b) Whenever the commission determines that the  
37 certificate of insurance or surety bond of a private carrier  
38 of passengers has lapsed or been terminated, the  
39 commission shall suspend the private carrier of  
40 passenger's registration.

1 (c) The commission shall notify the private carrier of  
2 passengers of any action taken under subdivision (b).

3 SEC. 38. Section 4015 of the Public Utilities Code is  
4 amended to read:

5 4015. A private carrier of passengers shall display the  
6 carrier identification number, as required by Section  
7 34507.5 of the Vehicle Code, on the vehicles operated  
8 pursuant to the registration granted under this chapter.

9 SEC. 39. Section 4022 of the Public Utilities Code is  
10 amended to read:

11 4022. (a) Upon receipt of a written recommendation  
12 from the department that the registration of a private  
13 carrier of passengers be suspended for failure to either  
14 (1) maintain any vehicle of the carrier in a safe operating  
15 condition or to comply with the Vehicle Code or with  
16 regulations contained in Title 13 of the California Code of  
17 Regulations relative to motor carrier safety, if that failure  
18 is either a consistent failure or presents an imminent  
19 danger to public safety, or (2) enroll all drivers in the pull  
20 notice system as required by Section 1808.1 of the Vehicle  
21 Code, the commission shall, pending a hearing in the  
22 matter pursuant to subdivision (d), suspend the carrier's  
23 registration. The department's written recommendation  
24 shall specifically indicate compliance with subdivision  
25 (c).

26 (b) A private carrier of passengers whose registration  
27 is suspended pursuant to subdivision (a) may obtain a  
28 reinspection of its terminal and vehicles by the  
29 department by submitting a written request for  
30 reinstatement to the commission and paying a  
31 reinstatement fee of one hundred twenty-five dollars  
32 (\$125). The fees required to be paid by carriers of  
33 passengers pursuant to this section shall be deposited in  
34 the Public Utilities Commission Transportation  
35 Reimbursement Account in the General Fund. Upon  
36 payment of the fee, the commission shall forward a  
37 request for reinspection to the department which shall  
38 perform a reinspection within a reasonable time. The  
39 commission shall reinstate a carrier's registration  
40 suspended under subdivision (a) promptly upon receipt

1 of a written recommendation from the department that  
2 the carrier's safety compliance has improved to the  
3 satisfaction of the department, unless the registration is  
4 suspended for another reason or has been revoked.

5 (c) Before transmitting a recommendation pursuant  
6 to subdivision (a) to the commission, the department  
7 shall notify the private carrier of passengers in writing of  
8 all of the following:

9 (1) That the department has determined that the  
10 carrier's safety record is unsatisfactory, furnishing a copy  
11 of any documentation or summary of any other evidence  
12 supporting the determination.

13 (2) That the determination may result in a suspension  
14 or revocation of the carrier's registration by the  
15 commission.

16 (3) That the carrier may request a review of the  
17 determination by the department within five days of its  
18 receipt of the notice required under this subdivision. If a  
19 review pursuant to this paragraph is requested by the  
20 carrier, the department shall conduct and evaluate that  
21 review prior to transmitting any notification to the  
22 commission pursuant to subdivision (a).

23 (d) Whenever the commission suspends the  
24 registration of any private carrier of passengers pursuant  
25 to subdivision (a), the commission shall furnish the  
26 carrier written notice of the suspension and shall hold a  
27 hearing within a reasonable time, not to exceed 21 days,  
28 after a written request therefor is filed with the  
29 commission, with a copy thereof furnished to the  
30 department. At the hearing, the carrier shall show cause  
31 why the suspension should not be continued. At the  
32 conclusion of the hearing, the commission may terminate  
33 the suspension, continue the suspension in effect, or  
34 revoke the registration. The commission may revoke the  
35 registration of any carrier suspended pursuant to  
36 subdivision (a) at any time 90 days or more after its  
37 suspension if the commission has not received a written  
38 recommendation for reinstatement from the department  
39 and the carrier has not filed a written request for a  
40 hearing with the commission.

1 SEC. 40. Chapter 2.7 (commencing with Section  
2 4120) of Division 2 of the Public Utilities Code is repealed.

3 SEC. 41. Chapter 3 (commencing with Section 4301)  
4 of Division 2 of the Public Utilities Code is repealed.

5 SEC. 42. Chapter 5 (commencing with Section 4801)  
6 of Division 2 of the Public Utilities Code is repealed.

7 SEC. 43. Section 5001 of the Public Utilities Code is  
8 amended to read:

9 5001. This chapter is enacted for the following  
10 purpose:

11 (a) Creating a special fund to administer and enforce  
12 the commission's jurisdiction to regulate household goods  
13 carriers.

14 (b) This chapter shall not apply to motor carriers of  
15 property who are required to register with the  
16 Department of Motor Vehicles under the Motor Carriers  
17 of Property Permit Act (Division 14.85 (commencing  
18 with Section 34600) of the Vehicle Code).

19 SEC. 43.5. Section 5003.1 of the Public Utilities Code  
20 is amended to read:

21 5003.1. Every household goods carrier owning or  
22 operating motor vehicles in the transportation of  
23 property for hire upon the public highways under the  
24 jurisdiction of the commission shall, between the first and  
25 15th days of January, April, July, and October of each year,  
26 file with the commission a statement showing the gross  
27 operating revenue derived by that person or corporation  
28 from the transportation of property for the preceding  
29 three calendar months, and shall, at the time of filing the  
30 report, pay to the commission a fee of fifteen (\$15) for  
31 each quarter. Five dollars (\$5) from each fifteen dollars  
32 (\$15) quarterly base fee shall be allocated on a quarterly  
33 basis to the Commercial Motor Carrier Safety  
34 Enforcement Fund. Every household goods carrier  
35 owning or operating motor vehicles in the transportation  
36 of property for hire upon the public highways under the  
37 jurisdiction of the commission shall, at the time of filing  
38 the report, pay to the commission a fee equal to one-third  
39 of 1 percent of the amount of the gross operating revenue,  
40 except as follows:

1 (a) For any particular fiscal year, the commission, with  
2 the approval of the Department of Finance, may fix the  
3 fee at less than one-third of 1 percent of that amount.

4 (b) The commission may increase the fee pursuant to  
5 subdivision (b) of Section 5003.2.

6 SEC. 44. Section 5004 of the Public Utilities Code is  
7 repealed.

8 SEC. 45. Section 5005 of the Public Utilities Code is  
9 amended to read:

10 5005. All fees collected under this chapter and all fees  
11 charged and collected for copies of papers, records,  
12 transcripts of testimony, or other documents, the cost of  
13 which is charged to the Transportation Rate Fund, shall  
14 be deposited at least once a month in the State Treasury  
15 to the credit of the Transportation Rate Fund, which is  
16 continued in existence. The money in the fund shall be in  
17 augmentation of the current appropriation for the  
18 support of the commission, and shall be expended by the  
19 commission for the purpose of administering and  
20 enforcing the Household Goods Carriers Act.

21 SEC. 47. Article 9 (commencing with Section 5325) is  
22 added to Chapter 7 of Division 2 of the Public Utilities  
23 Code, to read:

24  
25 Article 9. Household Goods Carriers Uniform Business  
26 License Tax Act  
27

28 5325. This article may be cited as the Household  
29 Goods Carriers Uniform Business License Tax Act.

30 5326. An adequate transportation system is essential  
31 to the welfare of the state, and an important part of that  
32 system is service rendered by highway carriers.

33 5327. On and after the effective date of this article no  
34 city or county shall assess, levy, or collect an excise or  
35 license tax of any kind, character, or description whatever  
36 upon the intercity transportation business conducted on  
37 or after the effective date of this article, by any household  
38 goods carriers, or person or corporation, owning or  
39 operating motor vehicles in the transportation of  
40 property for hire upon the public highways, under the

1 jurisdiction of the commission. For purposes of this  
2 article, intercity transportation business includes every  
3 service performed in the connection with transportation  
4 of property by transportation companies where both the  
5 origin point and the destination point of the transported  
6 property are not within the exterior boundaries of a single  
7 city or city and county.

8 5328. (a) On and after the effective date of this  
9 article, there is imposed upon every household goods  
10 carriers, and every person or corporation, owning or  
11 operating motor vehicles in the transportation of  
12 property for hire upon the public highways, under the  
13 jurisdiction of the commission, a license fee equal to  
14 one-tenth of 1 percent of gross operating revenue, which  
15 shall be payable to the commission in the manner and at  
16 the times provided for the payment of the fee provided  
17 in Section 5003.1. For purposes of this section, “gross  
18 operating revenue” shall be the gross operating revenue  
19 defined in Section 5002.

20 (b) The license fee imposed by this section is in lieu of  
21 all city or city and county excise or license taxes of any  
22 kind, character, or description whatever, upon the  
23 intercity transportation business of any express  
24 corporation, freight forwarder, motor transportation  
25 broker or person or corporation, owning or operating  
26 motor vehicles in the transportation of property for hire  
27 upon the public highways, under the jurisdiction of the  
28 commission.

29 (c) This section does not prohibit the imposition by  
30 any city, or city and county, of any excise or license tax  
31 authorized under Division 2 (commencing with Section  
32 6001) of the Revenue and Taxation Code.

33 5329. On and after the effective date of this article,  
34 any person or corporation, subject to the license fee  
35 imposed by Section 4304, required to pay any excise or  
36 license tax of any kind, character, or description whatever  
37 imposed by any city, or city and county, other than an  
38 excise or license tax authorized under Division 2  
39 (commencing with Section 6001) of the Revenue and  
40 Taxation Code, for the privilege of doing any



1 transportation business therein on or after the effective  
2 date of this article, may credit the amount of the tax  
3 against the fee imposed by Section 4304.

4 5330. (a) All funds collected by the commission  
5 pursuant to this chapter shall be deposited in the State  
6 Treasury to the credit of the Highway Carrier's Uniform  
7 Business License Tax Fund.

8 (b) Of the moneys in the Highway Carrier's Uniform  
9 Business License Tax Fund, that amount necessary for the  
10 payment of refunds is hereby appropriated, without  
11 regard to fiscal years, to the commission for that purpose.

12 (c) Any remaining moneys in the Highway Carrier's  
13 Uniform Business License Tax Fund shall be transferred  
14 to the General Fund on the order of the Controller.

15 5331. (a) If any person or corporation is in default in  
16 the payment of the license fee prescribed by this chapter  
17 for a period of 30 days or more, the commission may  
18 suspend or revoke any certificate of public convenience  
19 and necessity, permit, or license of the person or  
20 corporation, shall estimate from all available information  
21 the gross operating revenue of that person or corporation,  
22 shall compute the license fee required by Section 4304,  
23 and shall impose a penalty of 25 percent of the fee for  
24 failure, neglect, or refusal to report. In no event shall the  
25 amount of the penalty be less than one dollar (\$1). Upon  
26 payment of the estimated license fee and the penalty, the  
27 certificate, permit, or license of the agency suspended in  
28 accordance with the provisions of this section shall be  
29 reinstated.

30 (b) The commission may grant a reasonable extension  
31 of the 30-day period to any person or corporation, upon  
32 written application of the person or corporation and  
33 showing of the necessity for the extension.

34 (c) Upon the revocation of any operating authority  
35 issued to any person or corporation subject to this  
36 chapter, all fees provided for by this chapter shall become  
37 due and payable immediately.

38 5332. The commission may bring an action, in its own  
39 name, or in the name of the people of the state, in any  
40 court of competent jurisdiction of the state, for the

1 collection of delinquent fees estimated under Section  
2 5331 plus any penalties, for an amount due, owing and  
3 unpaid to it, as shown by a report filed by the person or  
4 corporation, together with a penalty of 25 percent of the  
5 amount for the delinquency.

6 5333. The employees, representatives, and inspectors  
7 of the commission may, under its order of direction,  
8 inspect and examine any books, accounts, records,  
9 memoranda, documents, papers, and correspondence  
10 kept by any person, corporation, or person having direct  
11 or indirect control over a person or corporation subject to  
12 the license fee prescribed by this article.

13 5334. The commission may make refunds of all or any  
14 amount of a fee provided for in this article if it determines  
15 that such fee or amount thereof was paid in error.

16 5335. (a) The commission may establish rules and  
17 regulations as it deems necessary to carry out this article.

18 (b) This section does not prohibit the imposition by  
19 any city, county, or city and county, of any excise or  
20 license tax authorized under Division 2 (commencing  
21 with Section 6001).

22 SEC. 48. Part 1.55 (commencing with Section 7231) is  
23 added to Division 2 of the Revenue and Taxation Code,  
24 to read:

## 25 26 PART 1.55. MOTOR CARRIERS

### 27 28 CHAPTER 1. MOTOR CARRIERS OF PROPERTY PERMIT FEE

29  
30 7231. (a) This chapter may be cited as the Motor  
31 Carriers of Property Uniform Permit Fee Act.

32 (b) The Legislature finds and declares that a safe and  
33 efficient transportation system is essential to the welfare  
34 of the state, and an important part of the system is service  
35 rendered by motor carriers of property.

36 7232. (a) Every motor carrier of property shall  
37 annually pay a permit fee to the Department of Motor  
38 Vehicles. The fees contained in this section are due and  
39 shall be paid by each carrier at the time of application for  
40 initial motor carrier permit, and upon annual renewal,



1 with the Department of Motor Vehicles, pursuant to the  
2 Motor Carriers of Property Permit Act, as set forth in  
3 Division 14.85 (commencing with Section 34600) of the  
4 Vehicle Code. The Department of Motor Vehicles may,  
5 upon initial application for a motor carrier permit, assign  
6 an expiration date not less than six months, nor more than  
7 18 months, from date of application, and may charge  
8 one-twelfth of the annual fee for each month covered by  
9 the initial permit. The fee paid by each motor carrier of  
10 property shall be based on the number of commercial  
11 motor vehicles operated in California by the motor  
12 carrier of property.

13 (b) For the purposes of this chapter, a commercial  
14 motor vehicle is defined as any self-propelled vehicle  
15 listed in subdivisions (a), (b), (f), (g), and (k) of Section  
16 34500 of the Vehicle Code, any motortruck of two or more  
17 axles that is more than 10,000 pounds gross vehicle weight  
18 rating, and any other motortruck or motor vehicle used  
19 to transport property for compensation but does not  
20 include household goods carriers, as defined in Section  
21 5109 of the Public Utilities Code or persons providing  
22 transportation of passengers, and operated on a public  
23 highway by a motor carrier of property.

24 (c) The “number of commercial motor vehicles  
25 operated by the motor carrier of property” as used in this  
26 section means all of the commercial motor vehicles  
27 owned, registered to, or leased by the carrier. For  
28 interstate and foreign motor carriers of property the fees  
29 set forth in subdivision (a) shall be apportioned on the  
30 fleet miles traveled in California, pursuant to the tax  
31 apportionment provisions of Article 4 (commencing with  
32 Section 8050) of Chapter 4 of Division 3 of the Vehicle  
33 Code.

34 (d) “Motor carrier of property” means any person  
35 who operates any commercial motor vehicle as defined  
36 in subdivision (b).

37 (e) “For hire motor carrier of property” means a  
38 motor carrier of property, as defined in subdivision (d),  
39 who transports property for compensation.

1 (f) (1) Fees contained in this chapter shall not apply  
2 to a motor carrier of property while engaged in any  
3 interstate or foreign transportation of property for  
4 compensation by motor vehicle. No motor carrier of  
5 property shall engage in any interstate or foreign  
6 transportation of property for compensation by motor  
7 vehicle on any public highway in this state without first  
8 having registered the operation with the Department of  
9 Motor Vehicles or with the carrier's base registration  
10 state, if other than California, as determined in  
11 accordance with final regulations issued by the Interstate  
12 Commerce Commission pursuant to the Intermodal  
13 Surface Efficiency Act of 1991 (49 U.S.C. Sec. 11506). To  
14 register with the Department of Motor Vehicles, carriers  
15 specified in this subdivision shall comply with the  
16 following:

17 (A) When the operation requires authority from the  
18 Interstate Commerce Commission under the Interstate  
19 Commerce Act, or authority from another federal  
20 regulatory agency, a copy of that authority shall be filed  
21 with the initial application for registration. A copy of any  
22 additions or amendments to the authority shall be filed  
23 with the Department of Motor Vehicles.

24 (B) If the operation does not require authority from  
25 the Interstate Commerce Commission under the  
26 Interstate Commerce, or authority from another federal  
27 regulatory agency, an affidavit of that exempt status shall  
28 be filed with the application for registration.

29 (2) The Department of Motor Vehicles shall grant  
30 registration upon the filing of the application pursuant to  
31 applicable law and the payment of any applicable fees,  
32 subject to the carrier's compliance with this chapter.

33 (3) This subdivision does not apply to household goods  
34 carriers, as defined in Section 5109 of the Public Utilities  
35 Code, and motor carriers engaged in the transportation  
36 of passengers for compensation.

37 7233. No city, county, or city and county, shall assess,  
38 levy, or collect an excise or license tax of any kind,  
39 character, or description whatever upon the  
40 transportation business conducted on or after the

1 effective date of this chapter, by any for-hire motor  
2 carrier of property.

3 7234. (a) The uniform business license tax fee  
4 imposed by this chapter is in lieu of all city, county, or city  
5 and county excise or license taxes of any kind, character,  
6 or description whatever, upon the transportation  
7 business of any for-hire motor carrier of property.

8 (b) This section does not prohibit the imposition by  
9 any city, county, or city and county, of any excise or  
10 license tax authorized under Division 2 (commencing  
11 with Section 6001).

12 7235. The Safety Fee and Cargo Theft Interdiction  
13 Program Fee imposed by this chapter shall be paid by all  
14 motor carriers of property, as defined in Section 34601 of  
15 the Vehicle Code.

16 7236. (a) All funds collected by the Department of  
17 Motor Vehicles pursuant to Section 7232 shall be  
18 deposited in the State Treasury to the credit of the Motor  
19 Carriers Permit Fund, which is hereby created. The  
20 following fees shall be paid to the department:

21 (1) For-hire motor carriers of property shall pay,  
22 according to the following schedule, fees indicated as  
23 safety fee, cargo theft interdiction fee, and uniform  
24 business license tax fee, based on the size of their motor  
25 vehicle fleet.

26 (2) Private carriers of property with a fleet size of 10  
27 or less motor vehicles shall pay a fee of thirty-five dollars  
28 (\$35). Private carriers of property with a fleet size of 11  
29 or more motor vehicles shall pay, according to the  
30 following schedule, fees indicated as safety fee and cargo  
31 theft interdiction fee, based on the size of their motor  
32 vehicle fleet. Any carrier that does not pay a uniform  
33 business license tax fee shall not operate as a for-hire  
34 motor carrier.

35 (3) A seasonal permit may be issued to a motor carrier  
36 of property upon payment of fees indicated as safety fee  
37 and cargo theft interdiction fee, and one twelfth of the fee  
38 indicated as uniform business license tax fee, rounded to  
39 the next dollar, for each month the permit is valid. The  
40 original seasonal permit shall be valid for a period of not

less than six months, and may be renewed upon payment of a five dollar (\$5) fee, and one twelfth of the fee indicated as a uniform business license tax fee for each additional month of operation.

Fleet Size—Commercial Motor Vehicles		Safety Fee	Cargo Theft Interdiction Fee	Uniform Business License Tax Fee
1		\$60	\$10	\$60
2–4		\$75	\$25	\$125
5–10		\$200	\$35	\$275
11–20		\$240	\$50	\$470
21–35		\$325	\$70	\$650
36–50		\$430	\$95	\$880
51–100		\$535	\$115	\$1075
101–200		\$635	\$140	\$1300
201–500		\$730	\$160	\$1510
501–1000		\$830	\$185	\$1715
1001–2000		\$930	\$210	\$1900
2001–over		\$1030	\$260	\$2000

Notwithstanding the above fee schedule, motor carriers of property with 10 or fewer trucks shall not pay fees higher than they would have paid under the fee structure in place as of January 1, 1996. Notwithstanding Section 34606 of the Vehicle Code, fees for these carriers shall not be subject to increase by the Department of Motor Vehicles.

(b) The Department of Motor Vehicles shall transfer funds deposited in the Motor Carriers Permit Fund as follows:

(1) Funds derived from Cargo Theft Interdiction Program Fees shall be transferred to the Motor Carriers Safety Improvement Fund.

(2) Funds derived from Uniform Business License Tax Fees shall be transferred to the General Fund.

1 (3) Funds derived from Safety Fees shall remain in the  
2 Motor Carriers Permit Fund and shall be available for  
3 appropriation by the Legislature to cover costs incurred  
4 by the Department of Motor Vehicles and the  
5 Department of the California Highway Patrol in  
6 regulating motor carriers of property pursuant to  
7 Division 14.85 (commencing with Section 34600) of the  
8 Vehicle Code.

9 (c) It is the intent of the Legislature that the fee  
10 schedule established in subdivision (a) shall not  
11 discriminate against small fleet or individual vehicle  
12 operators or result in a disproportionate share of those  
13 fees being assigned to small fleet or individual vehicle  
14 operators.

15  
16 CHAPTER 2. MOTOR CARRIER SAFETY IMPROVEMENT  
17 FUND  
18

19 7237. This chapter is enacted for the purpose of  
20 creating a special fund to cover the costs to the  
21 Department of the California Highway Patrol to deter  
22 commercial motor vehicle cargo thefts and provide  
23 security of highway carriers and cargoes throughout the  
24 state.

25 7238. All money or fees deposited in the Motor  
26 Carriers Safety Improvement Fund shall be available for  
27 appropriation by the Legislature to cover the costs to the  
28 Department of the California Highway Patrol to deter  
29 commercial motor vehicle cargo thefts and provide  
30 security of highway carriers and cargoes throughout the  
31 state.

32 SEC. 49. Section 1808.1 of the Vehicle Code is  
33 amended to read:

34 1808.1. (a) The prospective employer of a driver who  
35 drives any vehicle specified in subdivision (l) shall obtain  
36 a report showing the driver's current public record as  
37 recorded by the department. For purposes of this  
38 subdivision, a report is current if it was issued less than 30  
39 days prior to the date the employer employs the driver.  
40 The report shall be reviewed, signed, and dated by the

1 employer and maintained at the employer's place of  
2 business until receipt of the pull notice system report  
3 pursuant to subdivisions (b) and (c). These reports shall  
4 be presented upon request to any authorized  
5 representative of the Department of the California  
6 Highway Patrol during regular business hours.

7 (b) The employer of a driver who drives any vehicle  
8 specified in subdivision (l) shall participate in a pull  
9 notice system, which is a process for the purpose of  
10 providing the employer with a report showing the  
11 driver's current public record as recorded by the  
12 department, and any subsequent convictions, failures to  
13 appear, accidents, driver's license suspensions, driver's  
14 license revocations, or any other actions taken against the  
15 driving privilege or certificate, added to the driver's  
16 record while the employer's notification request remains  
17 valid and uncanceled. As used in this section,  
18 participation in the pull notice system means obtaining a  
19 requester code and enrolling all employed drivers who  
20 drive any vehicle specified in subdivision (l) under that  
21 requester code.

22 (c) The employer of a driver of any vehicle specified  
23 in subdivision (l) shall, additionally, obtain a periodic  
24 report from the department at least every six months,  
25 except that an employer who enrolls more than 500  
26 drivers in the pull notice system under a single requester  
27 code shall obtain a report at least every 12 months. The  
28 employer shall verify that each employee's driver's  
29 license has not been suspended or revoked, the  
30 employee's traffic violation point count, and whether the  
31 employee has been convicted of a violation of Section  
32 23152 or 23153. The report shall be signed and dated by  
33 the employer and maintained at the employer's principal  
34 place of business. The reports shall be presented upon  
35 demand to any authorized representative of the  
36 Department of the California Highway Patrol during  
37 regular business hours.

38 (d) Upon the termination of a driver's employment,  
39 the employer shall notify the department to discontinue  
40 the driver's enrollment in the pull notice system.



1 (e) For the purposes of the pull notice system and  
2 periodic report process required by subdivisions (b) and  
3 (c), owners, other than owner-operators as defined in  
4 Section 3557 of the Public Utilities Code, and employers  
5 who drive vehicles described in subdivision (l), shall be  
6 enrolled as if they were employees. Family members and  
7 volunteer drivers who drive vehicles described in  
8 subdivision (l) shall also be enrolled as if they were  
9 employees.

10 (f) An employer who, after receiving any driving  
11 record pursuant to this section, employs or continues to  
12 employ as a driver any person against whom a  
13 disqualifying action has been taken regarding his or her  
14 driving privilege or required driver's certificate, is guilty  
15 of a public offense, and upon conviction thereof, shall be  
16 punished by imprisonment in the county jail for not more  
17 than six months, by a fine of not more than one thousand  
18 dollars (\$1,000), or by both that fine and imprisonment.

19 (g) As part of its inspection of bus maintenance  
20 facilities and terminals required at least once every 13  
21 months pursuant to subdivision (c) of Section 34501, the  
22 Department of the California Highway Patrol shall  
23 determine whether each transit operator, as defined in  
24 Section 99210 of the Public Utilities Code, is then in  
25 compliance with this section and Section 12804.6, and  
26 shall certify each operator found to be in compliance. No  
27 funds shall be allocated under Chapter 4 (commencing  
28 with Section 99200) of Part 11 of Division 10 of the Public  
29 Utilities Code to a transit operator which the Department  
30 of the California Highway Patrol has not certified under  
31 this section.

32 (h) A request to participate in the pull notice system  
33 established by this section shall be accompanied by a fee  
34 determined by the department to be sufficient to defray  
35 the entire actual cost to the department for the  
36 notification service. For the receipt of subsequent  
37 reports, the employer shall also be charged a fee  
38 established by the department pursuant to Section 1811.  
39 Any employer who qualifies under Section 1812 shall be  
40 exempt from any fee required under this section. Failure

1 to pay the fee shall result in automatic cancellation of the  
2 employer's participation in the notification services.

3 (i) The department, as soon as feasible, may establish  
4 an automatic procedure to provide the periodic reports  
5 in subdivision (c) to employers on a regular basis without  
6 the need for individual requests.

7 (j) This section shall not be construed to change the  
8 definition of "employer," "employee," or "independent  
9 contractor" for any other purpose.

10 (k) The employer of a driver who is employed as a  
11 casual driver is not required to enter that driver's name  
12 in the pull notice system, as otherwise required by  
13 subdivision (a). However, the employer of a casual driver  
14 shall be in possession of a report of the driver's current  
15 public record as recorded by the department, prior to  
16 allowing a casual driver to drive any vehicle specified in  
17 subdivision (l). A report is current if it was issued less than  
18 six months prior to the date the employer employs the  
19 driver. As used in this subdivision, a driver is employed as  
20 a casual driver when the employer has employed the  
21 driver less than 30 days during the preceding six months.  
22 For purposes of this subdivision, "casual driver" does not  
23 include any driver who operates a vehicle that requires  
24 a passenger transportation endorsement.

25 (l) This section applies to any vehicle for the operation  
26 of which the driver is required to have a class 1, class 2,  
27 class A, or class B driver's license, a class C license with a  
28 hazardous materials endorsement, or a certificate issued  
29 pursuant to Section 2512, 12517, 12519, 12520, 12523, or  
30 12523.5, or any passenger vehicle having a seating  
31 capacity of not more than 10 persons, including the  
32 driver, operated for compensation by a charter-party  
33 carrier of passengers or passenger stage corporation  
34 pursuant to a certificate of public convenience and  
35 necessity or a permit issued by the Public Utilities  
36 Commission.

37 SEC. 50. Section 1808.3 of the Vehicle Code is  
38 repealed.

39 SEC. 51. Section 34505.6 of the Vehicle Code is  
40 amended to read:



1 34505.6. (a) Upon determining that a motor carrier  
2 or motor carrier of property operating any vehicle  
3 described in subdivision (a), (b), (e), (f), (g), or (k) of  
4 Section 34500 or any motor truck of two or more axles that  
5 is more than 10,000 pounds gross vehicle weight rating,  
6 and operated on a public highway by a motor carrier or  
7 motor carrier of property, has done either of the  
8 following: (1) failed to maintain any vehicle used in  
9 transportation for compensation in a safe operating  
10 condition or to comply with the Vehicle Code or with  
11 regulations contained in Title 13 of the California Code of  
12 Regulations relative to motor carrier safety, and, in the  
13 department's opinion, that failure presents an imminent  
14 danger to public safety or constitutes a consistent failure  
15 as to justify a suspension, revocation, or denial of the  
16 motor carrier's motor carrier permit or operating  
17 authority or (2) failed to enroll all drivers in the pull  
18 notice system as required by Section 1808.1, the  
19 department shall recommend that the Department of  
20 Motor Vehicles or the Public Utilities Commission, as  
21 appropriate, deny, suspend, or revoke the carrier's motor  
22 carrier permit or operating authority. For interstate  
23 operators, the department shall recommend to the  
24 federal Highway Administration Office of Motor Carriers  
25 that appropriate administrative action be taken against  
26 the carrier. For purposes of this subdivision, two  
27 consecutive unsatisfactory compliance ratings for an  
28 inspected terminal assigned because the motor carrier  
29 failed to comply with the periodic report requirements of  
30 Section 1808.1 or the cancellation of the carrier's  
31 enrollment by the Department of Motor Vehicles for  
32 nonpayment of required fees is a consistent failure. The  
33 department shall retain a record, by operator, of every  
34 recommendation made pursuant to this section.

35 (b) Before transmitting a recommendation pursuant  
36 to subdivision (a), the department shall notify the carrier  
37 in writing of all of the following:

38 (1) That the department has determined that the  
39 carrier's safety record is unsatisfactory, furnishing a copy

1 of any documentation or summary of any other evidence  
2 supporting the determination.

3 (2) That the determination may result in a suspension,  
4 revocation, or denial of the carrier's motor carrier permit  
5 by the Department of Motor Vehicles, suspension,  
6 revocation, of the motor carrier's operating authority by  
7 the California Public Utilities Commission, or  
8 administrative action by the federal Highway  
9 Administration Office of Motor Carriers.

10 (3) That the carrier may request a review of the  
11 determination by the department within five days of its  
12 receipt of the notice required under this subdivision. If a  
13 review pursuant to this paragraph is requested by the  
14 carrier, the department shall conduct and evaluate that  
15 review prior to transmitting any notification pursuant to  
16 subdivision (a).

17 (c) Upon receipt of a written recommendation from  
18 the department that a motor carrier permit or operating  
19 authority be suspended, revoked, or denied, the  
20 Department of Motor Vehicles or Public Utilities  
21 Commission, as appropriate, shall, pending a hearing in  
22 the matter pursuant to Section 34623, suspend the motor  
23 carrier permit or operating authority. The written  
24 recommendation shall specifically indicate compliance  
25 with subdivision (b).

26 SEC. 52. Section 34505.7 of the Vehicle Code is  
27 amended to read:

28 34505.7. (a) Upon determining that a private carrier  
29 of passengers, as defined in Section 4001 of the Public  
30 Utilities Code, has either (1) failed to maintain any  
31 vehicle of the carrier in a safe operating condition or to  
32 comply with the Vehicle Code or with regulations  
33 contained in Title 13 of the California Code of Regulations  
34 relative to motor carrier safety, and, in the department's  
35 opinion, the failure presents an imminent danger to  
36 public safety or constitutes such a consistent failure as to  
37 justify a recommendation to the Public Utilities  
38 Commission, or (2) failed to enroll all drivers in the pull  
39 notice system as required by Section 1808.1, the  
40 department shall make a written recommendation to the



1 Public Utilities Commission that the carrier's registration  
2 be suspended. Two consecutive unsatisfactory terminal  
3 ratings assigned for failure to comply with the periodic  
4 report requirements in Section 1808.1, or cancellation of  
5 an employer's enrollment by the Department of Motor  
6 Vehicles for nonpayment of fees, constitutes a consistent  
7 failure. The department shall retain a record, by operator,  
8 of every recommendation made pursuant to this section.

9 (b) Before transmitting a recommendation pursuant  
10 to subdivision (a), the department shall give written  
11 notice to the carrier of all of the following:

12 (1) That the department has determined that the  
13 carrier's safety record is unsatisfactory, furnishing a copy  
14 of any documentation or summary of any other evidence  
15 supporting the determination.

16 (2) That the determination may result in a suspension  
17 or revocation of the carrier's registration by the  
18 California Public Utilities Commission.

19 (3) That the carrier may request a review of the  
20 determination by the department within five days of its  
21 receipt of the notice required by this subdivision. If a  
22 review pursuant to this paragraph is requested by the  
23 carrier, the department shall conduct and evaluate that  
24 review prior to transmitting any notification pursuant to  
25 subdivision (a).

26 (c) Commercial vehicle inspection facilities along the  
27 border of Mexico, including those in Calexico and Otay  
28 Mesa, shall be staffed at all times by a California Highway  
29 Patrol inspector whenever those facilities are open to the  
30 public. The California Highway Patrol shall also assign, as  
31 staffing permits, a commercial inspector to control truck  
32 traffic entering the United States at the Tecate border  
33 crossing.

34 SEC. 53. Division 14.85 (commencing with Section  
35 34600) is added to the Vehicle Code, to read:

36



1           DIVISION 14.85. MOTOR CARRIERS OF  
2           PROPERTY PERMIT ACT

3  
4           CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

5  
6       34600. This division shall be known and may be cited  
7 as the Motor Carriers of Property Permit Act.

8       34601. (a) “Motor carrier of property” means:

9       (1) Any motor carrier as defined in Section 408  
10 operating in California, whether intrastate, interstate, or  
11 a foreign carrier, who is required to obtain an  
12 identification number pursuant to Section 34507.5.

13       (2) Any person who operates one or more motortrucks  
14 of two or more axles that are more than 10,000 pounds  
15 gross vehicle weight rating.

16       (3) “Motor carrier of property” does not include  
17 household goods carriers, as defined in Section 5109 of the  
18 Public Utilities Code, persons providing only  
19 transportation of passengers, or a passenger stage  
20 corporation transporting baggage and express upon a  
21 passenger vehicle incidental to the transportation of  
22 passengers.

23       (b) For purposes of this chapter, “for-hire motor  
24 carrier or property” means a motor carrier of property as  
25 defined in subdivision (a) who transports property for  
26 compensation and any person, partnership, or  
27 corporation who transports property for compensation in  
28 any motortruck or motor vehicle not specified in  
29 subdivision (a).

30       (c) For purposes of this chapter, “private carrier”  
31 means a motor carrier of property, as defined in  
32 subdivision (a), who does not transport any goods or  
33 property for compensation.

34       34602. As used in this division, “fund” means the  
35 Motor Carriers Permit Fund.

36       34603. The Department of the California Highway  
37 Patrol, the Public Utilities Commission, and the State  
38 Board of Equalization shall furnish, upon request,  
39 whatever information from their records may be

1 required to assist the department in the effective  
2 development and enforcement of this division.

3 34604. The department may adopt reasonable rules  
4 and regulations necessary to administer this division. The  
5 department may also adopt rules and regulations  
6 necessary to administer civil sanction proceedings and  
7 impose fines for failure to comply with Division 14.8  
8 (commencing with Section 34500), or this division, or  
9 regulations adopted pursuant to this code.

10 34605. (a) The department may contract with the  
11 Office of Administrative Hearings to administer  
12 proceedings and impose fines for failure to comply with  
13 Division 14.8 (commencing with Section 34500), or this  
14 division, or regulations adopted pursuant to this code.

15 (b) The department and the California Highway  
16 Patrol may also contract with the Public Utilities  
17 Commission to administer this division in a manner  
18 described by the contract, or if permitted by the  
19 Department of Motor Vehicles, in a manner as existed on  
20 January 1, 1996. This temporary authority shall be  
21 terminated on December 31, 1997.

22 (c) All fees collected under this contract shall be  
23 deposited in the Motor Carriers Permit Fund created  
24 pursuant to subdivision (a) of Section 7236 of the  
25 Revenue and Taxation Code.

26 34606. The fee schedule set forth in Section 7236 of the  
27 Revenue and Taxation Code shall be reviewed by the  
28 Department of Motor Vehicles and, ~~if necessary, adjusted~~  
29 ~~to fully recover all~~ *may be lowered should revenue*  
30 *exceed the* costs of the Department of Motor Vehicles and  
31 the California Highway Patrol to administer and enforce  
32 the provisions of this division. The department shall also  
33 adjust the uniform business license tax fee by the amounts  
34 as are necessary to produce an annual revenue that shall  
35 not exceed the amount collected under Section 4304 of  
36 the Public Utilities Code as it existed on June 30, 1996, for  
37 the period beginning on July 1, 1995, and ending on June  
38 30, 1996. ~~The authority conferred by this section for the~~  
39 ~~Department of Motor Vehicles to adjust the fee schedule~~  
40 ~~shall expire on December 31, 2000.~~

## CHAPTER 2. MOTOR CARRIER PERMITS

34620. (a) Except as provided in subdivision (b) and Section 34622, no motor carrier of property shall operate a motor vehicle on any public highway in this state unless it has complied with Section 34507.5 and has registered with the department its carrier identification authorized or assigned thereunder. The department shall issue a motor carrier permit upon the carrier's written request, compliance with Sections 34507.5, 34630, and 34640, and the payment of the fee required by this chapter.

(b) Motor carriers of property who were in compliance with the insurance requirements of this state on the day prior to the effective date of this section and continue to be in compliance with those requirements may continue to operate until directed by the department to obtain a motor carrier permit as required by subdivision (a). The department shall require all of those carriers to obtain permits pursuant to subdivision (a) on or before December 31, 1998.

34621. (a) The fee required by Section 7232 of the Revenue and Taxation Code shall be paid to the department upon initial application for a motor carrier permit and for annual renewal.

(b) Every application for an original or a renewal motor carrier permit shall contain all of the following information:

(1) The full name of the motor carrier; any fictitious name under which it is doing business; address, both physical and mailing; and business telephone number.

(2) Status as individual, partnership, owner, operator, or both, or corporation, and officers of corporation and all partners.

(3) Name, address, and driver's license number of owner or principal officer, California carrier number, number of commercial motor vehicles in fleet, interstate or intrastate operations, State Board of Equalization, federal Department of Transportation or Interstate Commerce Commission number, as applicable.

1 (4) Transporter or not a transporter of hazardous  
2 materials or petroleum.

3 (5) Business affiliations.

4 (6) Evidence of financial responsibility.

5 (7) Evidence of Workman's Compensation coverage,  
6 if applicable.

7 (8) Any other information necessary to enable the  
8 department to determine whether the applicant is  
9 entitled to a permit.

10 34622. This chapter does not apply to any vehicles  
11 exempt from vehicle registration fees.

12 34623. (a) The Department of the California  
13 Highway Patrol has exclusive jurisdiction for the  
14 regulation of safety of operation of motor carriers of  
15 property.

16 (b) The motor carrier permit of a motor carrier of  
17 property may be suspended for failure to either (1)  
18 maintain any vehicle of the carrier in a safe operating  
19 condition or to comply with this code or with regulations  
20 contained in Title 13 of the California Code of Regulations  
21 relative to motor carrier safety, if that failure is either a  
22 consistent failure or presents an imminent danger to  
23 public safety, or (2) enroll all drivers in the pull notice  
24 system as required by Section 1808.1. The department  
25 may, pending a hearing in the matter pursuant to  
26 subdivision (d), suspend a carrier's permit.

27 (c) A motor carrier whose motor carrier permit is  
28 suspended pursuant to subdivision (b) may obtain a  
29 reinspection of its terminal and vehicles by the  
30 Department of the California Highway Patrol by  
31 submitting a written request for reinstatement to the  
32 department and paying a reinstatement fee as required  
33 by Section 34623.5. The department shall deposit all  
34 reinstatement fees collected from carriers of property  
35 pursuant to this section in the fund. Upon receipt of the  
36 fee, the department shall forward a request to the  
37 Department of the California Highway Patrol, which  
38 shall perform a reinspection within a reasonable time.  
39 The department shall reinstate a carrier's motor carrier  
40 permit suspended under subdivision (b) upon

1 notification by the Department of the Highway Patrol  
2 that the carrier's safety compliance has improved to the  
3 satisfaction of the Department of the California Highway  
4 Patrol, unless the permit is suspended for another reason  
5 or has been revoked.

6 (d) Whenever the department suspends the permit of  
7 any carrier pursuant to subdivision (b), the department  
8 shall furnish the carrier with written notice of the  
9 suspension and shall provide for a hearing within a  
10 reasonable time, not to exceed 21 days, after a written  
11 request is filed with the department. At the hearing, the  
12 carrier shall show cause why the suspension should not be  
13 continued. Following the hearing, the department may  
14 terminate the suspension, continue the suspension in  
15 effect, or revoke the permit. The department may revoke  
16 the permit of any carrier suspended pursuant to  
17 subdivision (b) at any time that is 90 days or more after  
18 its suspension if the carrier has not filed a written request  
19 for a hearing with the department or has failed to submit  
20 a request for reinstatement pursuant to subdivision (c).

21 (e) Notwithstanding any other provision of this code,  
22 no hearing shall be provided when the suspension of the  
23 motor carrier permit is based solely upon the failure of  
24 the motor carrier to maintain satisfactory proof of  
25 financial responsibility as required by this code.

26 34623.5. Notwithstanding any other provision of this  
27 code, before a permit may be reissued after a suspension  
28 has been terminated, there shall, in addition to any other  
29 fees required by this code, be paid to the department a  
30 fee of one hundred fifty dollars (\$150).

31 34624. (a) The department shall establish a  
32 classification of motor carrier of property known as  
33 owner-operators.

34 (b) As used in this section and in Sections 1808.1 and  
35 34501.12, an owner-operator is a person who meets all of  
36 the following requirements:

37 (1) Holds a class A or class B driver's license or a class  
38 C license with a hazardous materials endorsement.

39 (2) Owns, leases, or otherwise operates not more than  
40 one power unit and not more than three towed vehicles.



1 (3) Is required to obtain a permit as a motor carrier of  
2 property by the department under this division.

3 (c) (1) As used in this section, “power unit” is a motor  
4 vehicle described in subdivision (a), (b), (g), (f), or (k)  
5 of Section 34500, or a motortruck of two or more axles that  
6 is more than 10,000 pounds gross vehicle weight rating,  
7 but does not include those vehicles operated by  
8 household goods carriers, as defined in Section 5109 of the  
9 Public Utilities Code or persons providing transportation  
10 of passengers. A “towed vehicle” is a nonmotorized  
11 vehicle described in subdivision (d), (e), (f), (g), or (k)  
12 of that section.

13 (2) As used in this section, subdivision (f) of Section  
14 34500 includes those combinations where the gross  
15 vehicle weight rating of the towing vehicle exceeds 10,100  
16 pounds, and subdivision (g) of Section 34500 includes  
17 only those vehicles transporting hazardous materials for  
18 which the display of placards is required pursuant to  
19 Section 27903, a license is required pursuant to Section  
20 32000.5, or for which a hazardous waste hauler  
21 registration is required pursuant to Section 25163 of the  
22 Health and Safety Code.

23 (d) The department, upon suspending or revoking the  
24 driving privilege of an owner-operator shall also suspend  
25 the owner-operator’s motor carrier permit, unless the  
26 owner-operator, within 15 days, shows good cause why  
27 the permit should not be suspended.

28 (e) This section shall not be construed to change the  
29 definition of “employer,” “employee,” or “independent  
30 contractor” for any other purpose.

31  
32 CHAPTER 3. INSURANCE  
33

34 34630. (a) A motor carrier permit shall not be  
35 granted to any motor carrier of property until there is  
36 filed with the department proof of financial responsibility  
37 in the form of a currently effective certificate of  
38 insurance, issued by a company licensed to write that  
39 insurance in this state or by a nonadmitted insurer subject  
40 to Section 1763 of the Insurance Code, if the policy

1 represented by the certificate meets the minimum  
2 insurance requirements contained in Section 34631.5.  
3 The certificate of insurance or surety bond shall provide  
4 coverage with respect to the operation, maintenance, or  
5 use of any vehicle for which a permit is required, although  
6 the vehicle may not be specifically described in the  
7 policy, or a bond of surety issued by a company licensed  
8 to write surety bonds in this state, or written evidence of  
9 self-insurance by providing the self-insured number  
10 granted by the department on a form approved by the  
11 department.

12 (b) Proof of financial responsibility shall be continued  
13 in effect during the active life of the motor carrier permit.  
14 The certificate of insurance shall not be cancelable on less  
15 than 30 days' written notice from the insurer to the  
16 department except in the event of cessation of operations  
17 as a permitted motor carrier of property.

18 (c) Whenever the department determines or is  
19 notified that the certificate of insurance or surety bond of  
20 a motor carrier of property will lapse or be terminated,  
21 the department shall suspend the carrier's permit  
22 effective on the date of lapse or termination unless the  
23 carrier provides evidence of valid insurance coverage  
24 pursuant to subdivision (a). If the carrier's permit is  
25 suspended, the carrier shall pay a reinstatement fee as set  
26 forth in Section 34623.5, and prior to conducting  
27 on-highway operations, present proof of financial  
28 responsibility pursuant to subdivision (a) in order to have  
29 the permit reinstated.

30 34631. The proof of financial responsibility required  
31 under Section 34630 shall be evidenced by the deposit  
32 with the department, covering each vehicle used or to be  
33 used under the motor carrier permit applied for, of one  
34 of the following:

35 (a) A certificate of insurance, issued by a company  
36 licensed to write insurance in this state, or by a  
37 nonadmitted insurer subject to Section 1763 of the  
38 Insurance Code, if the policies represented by the  
39 certificate comply with Section 34630 and the rules

1 promulgated by the department pursuant to Section  
2 34604.

3 (b) A bond of a surety company licensed to write  
4 surety bonds in the state.

5 (c) Evidence of qualification of the carrier as a  
6 self-insurer as provided for in subdivision (a) of Section  
7 34630. However, any certificate of self-insurance granted  
8 to a motor carrier of property shall be limited to serve as  
9 proof of financial responsibility under paragraph (1) of  
10 subdivision (a) of Section 34631.5 minimum limits only  
11 and shall not be acceptable as proof of financial  
12 responsibility for the coverage required pursuant to  
13 paragraph (2) or (3) of subdivision (a) of Section 34631.5.

14 34631.5. (a) (1) Every motor carrier of property as  
15 defined in Section 34601 (except those subject to  
16 paragraph (2) or (3), shall provide and thereafter  
17 continue in effect adequate protection against liability  
18 imposed by law upon those carriers for the payment of  
19 damages for personal bodily injuries (including death  
20 resulting therefrom) in the amount of not less than two  
21 hundred fifty thousand dollars (\$250,000) on account of  
22 bodily injuries to or death of, one person, and protection  
23 against total liability of those carriers on account of bodily  
24 injuries to, or death of more than one person as a result  
25 of any one accident, but subject to the same limitation for  
26 each person, in the amount of not less than five hundred  
27 thousand dollars (\$500,000) and protection in the amount  
28 of not less than one hundred thousand dollars (\$100,000)  
29 for one accident resulting in damage to or destruction of  
30 property other than property being transported by the  
31 carrier for any shipper or consignee, whether the  
32 property of one or more than one claimant, or a combined  
33 single limit in the amount of not less than six hundred  
34 thousand dollars (\$600,000) on account of bodily injuries  
35 to, or death of, one or more persons, or damage to or  
36 destruction of, property other than property being  
37 transported by the carrier for any shipper or consignee  
38 whether the property of one or more than one claimant  
39 in any one accident.

1 (2) Every intrastate motor carrier of property, as  
2 defined in Section 34601, who transports petroleum  
3 products in bulk, including waste petroleum and waste  
4 petroleum products, shall provide and thereafter  
5 continue in effect adequate protection against liability  
6 imposed by law upon the carrier for the payment of  
7 damages for personal bodily injuries (including death  
8 resulting therefrom) in the amount of not less than five  
9 hundred thousand dollars (\$500,000) on account of bodily  
10 injuries to, or death of, one person; and protection against  
11 a total liability of those carriers on account of bodily  
12 injuries to, or death of more than one person as a result  
13 of any one accident, but subject to the same limitation for  
14 each person in the amount of not less than one million  
15 dollars (\$1,000,000); and protection in an amount of not  
16 less than two hundred thousand dollars (\$200,000) for one  
17 accident resulting in damage to or destruction to  
18 property other than property being transported by the  
19 carrier for any shipper or consignee, whether the  
20 property of one or more than one claimant; or a combined  
21 single limit in the amount of not less than one million two  
22 hundred thousand (\$1,200,000) on account of bodily  
23 injuries to, or death of, one or more person or damage to  
24 or destruction of property, or both, other than property  
25 being transported by the carrier for any shipper or  
26 consignee whether the property of one or more than one  
27 claimant in any one accident.

28 (3) Except as provided in paragraph (2), every motor  
29 carrier of property, as defined in 34601, that transports  
30 any hazardous material, as defined by Section 353, shall  
31 provide and thereafter continue in effect adequate  
32 protection against liability imposed by law on those  
33 carriers for the payment of damages for personal injury  
34 or death, and damage to or destruction of property, in  
35 amounts of not less than the minimum levels of financial  
36 responsibility specified for carriers of hazardous materials  
37 by the United States Department of Transportation in  
38 Part 387 (commencing with Section 387.1) of Title 49 of  
39 the Code of Federal Regulations. The applicable

minimum levels of financial responsibility required are as follows:

	Combined Single Limit Coverage
Commodity Transported:	
(a) Oil listed in Section 172.101 of Title 49 of the Code of Federal Regulations; hazardous waste, hazardous materials and hazardous substances defined in Section 171.8 of Title 49 of the Code of Federal Regulations and listed in Section 172.101 of Title 49 of the Code of Federal Regulations, but not mentioned in (c) or (d).	\$1,000,000
(b) Hazardous waste as defined in Section 25117 of the Health and Safety Code and in Article 1 (commencing with Section 66261.1) of Chapter 11 of Division 4.5 of Title 22 of the California Code of Regulations, but not mentioned in (c) or (d).	\$1,000,000
(c) Hazardous substances, as defined in Section 171.8 of Title 49 of the Code of Federal Regulations, or liquefied compressed gas or compressed gas, transported in cargo tanks, portable tanks, or hopper-type vehicle with capacities in excess of 3,500 water gallons.	\$5,000,000
(d) Any quantity of Class A or B explosives; any quantity of poison gas (Poison A); or highway route controlled quantity radioactive materials as defined in Section 173.403 of Title 49 of the Code of Federal Regulations.	\$5,000,000

(4) The protection required under paragraphs (1), (2), and (3) shall be evidenced by the deposit with the department, covering each vehicle used or to be used in conducting the service performed by each motor carrier

1 of property, an authorized certificate of public liability  
2 and property damage insurance, issued by a company  
3 licensed to write the insurance in the State of California,  
4 or by a nonadmitted insurer subject to Section 1763 of the  
5 Insurance Code.

6 (5) The protection required under paragraphs (1),  
7 (2), and (3) by every motor carrier of property engaged  
8 in interstate or foreign transportation of property in or  
9 through California, shall be evidenced by the filing and  
10 acceptance of a department authorized certificate of  
11 insurance, or qualification as a self-insurer as may be  
12 authorized by law.

13 (6) A certificate of insurance, evidencing the  
14 protection, shall not be cancelable on less than 30 days'  
15 written notice to the department, the notice to  
16 commence to run from the date notice is actually  
17 received at the office of the department in Sacramento.

18 (7) Every insurance certificate or equivalent  
19 protection to the public shall contain a provision that the  
20 certificate or equivalent protection shall remain in full  
21 force and effect until canceled in the manner provided by  
22 paragraph (6).

23 (8) Upon cancellation of an insurance certificate or  
24 the cancellation of equivalent protection authorized by  
25 the Department of Motor Vehicles, the motor carrier  
26 permit of any motor carrier of property, shall stand  
27 suspended immediately upon the effective date of the  
28 cancellations.

29 (9) No carrier shall engage in any operation on any  
30 public highway of this state during the suspension of its  
31 permit.

32 (10) No motor carrier of property, whose permit has  
33 been suspended under paragraph (8) shall resume  
34 operations unless and until the carrier has filed an  
35 insurance certificate or equivalent protection in effect at  
36 the time and that meets the standards set forth in this  
37 section. The operative rights of the complying carriers  
38 shall be reinstated from suspension upon the filing of an  
39 insurance certificate or equivalent protection.

1 (11) In order to expedite the processing insurance  
2 filings by the department, each insurance filing made  
3 should contain the insured's California carrier number, if  
4 known, in the upper right corner of the certificate.

5 34632. (a) Every motor carrier of property shall  
6 furnish the department annually, as specified by the  
7 department, a list, prepared under oath, of all vehicles,  
8 described in Section 34601, used in transportation during  
9 the preceding year.

10 (b) If the carrier's insurer informs the department  
11 that the carrier has failed to obtain insurance coverage for  
12 any vehicle reported on the list, the department shall, in  
13 addition to any other applicable penalty provided in this  
14 division, suspend the carrier's permit.

15 34633. Every motor carrier of property with a carrier  
16 fleet of 20 or more commercial motor vehicles as defined  
17 in Section 34601 shall, under oath, file annually a report  
18 with the department indicating the number,  
19 classification, and compensation of all employees and  
20 owner-operator drivers hired or engaged during the  
21 reporting period. The department shall submit a copy of  
22 the report to the administrator of the corporation's  
23 workers' compensation self-insurance plan if the  
24 corporation is self-insured, or to the carrier's workers'  
25 compensation insurer if the carrier's workers'  
26 compensation protection is provided by a policy or  
27 policies of insurance.

28 34634. (a) Upon receipt of a stop order issued by the  
29 Director of Industrial Relations pursuant to Section 3710.1  
30 of the Labor Code, the department shall determine  
31 whether the motor carrier of property has filed a false  
32 statement relative to workers' compensation insurance  
33 coverage, in violation of statute, or rules or orders of the  
34 department. If, after notice and opportunity to be heard,  
35 the department determines that there has been a  
36 violation of statute, or rules or orders of the department,  
37 the department shall, in addition to any other applicable  
38 penalty provided in this division, suspend the carrier's  
39 permit.

1 (b) Upon notification from the Director of Industrial  
2 Relations that a final judgment has been entered against  
3 any motor carrier of property as a result of an award  
4 having been made to an employee pursuant to Section  
5 3716.2 of the Labor Code, the department shall, 30 days  
6 from the date the carrier is mailed the notice pursuant to  
7 subdivision (c), revoke the carrier's permit unless the  
8 judgment has been satisfied or has been discharged in  
9 accordance with the bankruptcy laws of the United States  
10 or the carrier requests a hearing pursuant to subdivision  
11 (c).

12 (c) Within seven days of notification from the Director  
13 of Industrial Relations that a final judgment has been  
14 entered against any motor carrier of property as a result  
15 of an award having been made to an employee pursuant  
16 to Section 3716.2 of the Labor Code, the department shall  
17 furnish to the carrier named in the final judgment written  
18 notice of the right to a hearing regarding the revocation  
19 of the permit and the procedure to follow to request a  
20 hearing. The notice shall state that the department is  
21 required to revoke the carrier's permit pursuant to  
22 subdivision (b) after 30 days from the date the notice is  
23 mailed unless the carrier provides proof that the  
24 judgment is satisfied or has been discharged in  
25 accordance with the bankruptcy laws of the United States  
26 and the department has been so notified seven days prior  
27 to the conclusion of the 30-day waiting period. The carrier  
28 may request a hearing within 10 days from the date the  
29 notice is sent by the department. The request for the  
30 hearing shall stay the revocation. The hearing shall be  
31 held within 30 days of the receipt of the request. If the  
32 department finds that an unsatisfied judgment exists  
33 concerning a debt arising under Section 3717 of the Labor  
34 Code, the department shall immediately revoke the  
35 carrier's permit.

36





CHAPTER 4. WORKERS' COMPENSATION

34640. (a) A motor carrier permit shall not be granted to any motor carrier of property until one of the following is filed with the department:

(1) A certificate of workers' compensation coverage for its employees issued by an admitted insurer.

(2) A certification of consent to self-insure issued by the Director of Industrial Relations, and the identity of the administrator of the carrier's workers' compensation self-insurance plan.

(3) A statement, under penalty of perjury, stating that, in its operations as a motor carrier of property, it does not employ any person in any manner so as to become subject to the workers' compensation laws of this state.

(b) The workers' compensation certified under paragraph (1) of subdivision (a) shall be effective until canceled. The insurer shall provide to the motor carrier of property and to the department a notice of cancellation not less than 30 days in advance of the effective date.

(c) If, after filing the statement described in paragraph (3) of subdivision (a), the carrier becomes subject to the workers' compensation laws of this state, the carrier shall promptly notify the department that the carrier is withdrawing its statement under paragraph (3) of subdivision (a), and shall simultaneously file the certificate described in either paragraph (1) or (2) of subdivision (a).

(d) Whenever the department determines or is notified that the certificate of workers' compensation insurance or certification to self-insure a motor carrier of property will lapse or be terminated, the department shall suspend the carrier's permit effective on the date of the lapse or termination, unless the motor carrier provides evidence of valid insurance coverage pursuant to subdivision (a). If the carrier's permit is suspended, the carrier shall pay a reinstatement fee as set forth in Section 34671, and prior to conducting on-highway operations,

1 present proof of valid insurance coverage pursuant to  
2 subdivision (a) in order to have the permit reinstated.

3  
4 CHAPTER 5. IDENTIFICATION  
5

6 34650. Notwithstanding paragraph (1) of subdivision  
7 (b) of Section 34507.5, a motor carrier of property  
8 required to obtain a permit under this division shall  
9 display the carrier identification number, as otherwise  
10 required by Section 34507.5, on any vehicle operated  
11 pursuant to the permit.  
12

13 CHAPTER 6. FINES AND PENALTIES  
14

15 34660. (a) A motor carrier of property, after its motor  
16 carrier permit has been suspended by the department,  
17 who continues to operate as a motor carrier, either  
18 independently or for another motor carrier, is guilty of a  
19 misdemeanor, punishable by a fine of not more than two  
20 thousand five hundred dollars (\$2,500), or by  
21 imprisonment in the county jail for not more than three  
22 months, or by both that fine and imprisonment.

23 (b) Each violation of this section is a separate and  
24 distinct offense, and, in the case of a continuing violation,  
25 each day's continuance of operation as a carrier in  
26 violation of this section is a separate and distinct offense.

27 (c) Upon finding that a motor carrier of property is  
28 willfully violating this section after being advised that it  
29 is not operating in compliance with the laws of this state,  
30 the court may issue an injunction to stop the carrier's  
31 continued operation.

32 (d) A member of the Department of the California  
33 Highway Patrol may impound a vehicle or combination  
34 of vehicles operated by a motor carrier of property, when  
35 the vehicle or combination of vehicles is found upon a  
36 highway, any public lands, or an offstreet parking facility  
37 and the motor carrier is found to be in violation of this  
38 section. For purposes of this subdivision, the vehicle shall  
39 be released to the registered owner or authorized agent  
40 only after the registered owner or authorized agent

1 furnishes the Department of the California Highway  
2 Patrol with proof of current registration, a currently valid  
3 driver's license of the appropriate class to operate the  
4 vehicle or combination of vehicles, and proof of  
5 compliance with this division. The registered owner or  
6 authorized agent is responsible for all towing and storage  
7 charges related to the impoundment.

8 34661. Any person or corporation who violates any  
9 provision of this division is guilty of a misdemeanor,  
10 punishable by a fine of not more than two thousand five  
11 hundred dollars (\$2,500), or by imprisonment in the  
12 county jail for not more than three months, or by both  
13 that fine and imprisonment.

14 34670. Any violation of Division 14.8 (commencing  
15 with Section 34500) or any violation of this division  
16 relating to motor carriers of property that results in a  
17 suspension or revocation of the motor carrier permit, in  
18 addition to any other penalties, shall be sanctioned as  
19 follows:

20 (a) If there have been no prior sanctions imposed on  
21 the permit holder, the permit shall be suspended for 30  
22 days.

23 (b) If the permit had been suspended once prior in the  
24 previous 36 months, the permit shall be suspended for 60  
25 days.

26 (c) If the permit had been previously suspended two  
27 or more times in the previous 36 months, the permit shall  
28 be suspended for 90 days, and a fine of one thousand five  
29 hundred dollars (\$1,500) shall be imposed.

30 34671. No motor carrier permit suspended or revoked  
31 under the provisions of this code shall be reinstated until  
32 a fee of one hundred fifty dollars (\$150) has been paid,  
33 and the motor carrier permit holder has met all  
34 requirements for the issuance of a permit.

35 34672. If a motor carrier permit is paid for by a check  
36 that is dishonored by the bank, the permit shall be  
37 canceled. A dishonored check fee of twenty dollars (\$20)  
38 shall be assessed to the motor carrier permit applicant.  
39 The department shall notify the carrier that the check  
40 was dishonored and that the permit will be canceled 30

1 days from the date of notification if the applicant does not  
2 make restitution. If the applicant does not make  
3 restitution for the dishonored check, and pay the  
4 dishonored check fee within 30 days of the notice, the  
5 application for a motor carrier permit shall be canceled.

6 SEC. 54. Section 40000.22 of the Vehicle Code is  
7 amended to read:

8 40000.22. (a) A violation of subdivision (e) of Section  
9 34501, subdivision (f) of Section 34501.12, or subdivision  
10 (c) of Section 34501.14, relating to applications for  
11 inspections, is a misdemeanor and not an infraction.

12 (b) A violation of Division 14.85 (commencing with  
13 Section 34600), relating to motor carriers of property, is  
14 a misdemeanor and not an infraction.

15 SEC. 55. On January 1, 1997, seven million three  
16 hundred thousand dollars (\$7,300,000) shall be  
17 transferred from the Transportation Rate Fund to the  
18 Motor Carriers Permit Fund, created pursuant to  
19 subdivision (a) of Section 7236 of the Revenue and  
20 Taxation Code. These funds are hereby appropriated for  
21 the implementation of the Motor Carriers Safety Act of  
22 1996, as follows: the sum of four million nine hundred  
23 eighteen thousand dollars (\$4,918,000) from the Motor  
24 Carriers Permit Fund is appropriated to the Department  
25 of Motor Vehicles to provide for implementation costs  
26 and contractual costs to the Public Utilities Commission  
27 pursuant to subdivision (a) of Section 34605 of the Vehicle  
28 Code. The sum of one million nine hundred thirty-five  
29 thousand dollars (\$1,935,000) is appropriated from the  
30 Motor Carriers Permit Fund to the Department of the  
31 California Highway Patrol to conduct enforcement  
32 activities as required by this act. The sum of one million  
33 four hundred thousand dollars (\$1,400,000) is  
34 appropriated from the Motor Carriers Safety  
35 Improvement Fund to the Department of the California  
36 Highway Patrol for the Cargo Theft Interdiction  
37 Program.

38 SEC. 56. Item 8660-001-0412, of Section 2.00 of the  
39 Budget Act of 1996 (Chapter 162 of the Statutes of 1996)  
40 is amended to read:

8660-001-0412-For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Transportation Rate Fund . . . . . 6,743,000

SEC. 57. Item 8660-001-0462, of Section 2.00 of the Budget Act of 1996 (Chapter 162 of the Statutes of 1996) is amended to read:

8660-001-0462-For support of Public Utilities Commission, payable from the Public Utilities Commission Utilities Reimbursement Account, General Fund . . . . . 49,039,000

Schedule:

(a) 100000-Personal Services . . . . .

56,915,000

(b) 300000-Operating Expenses and Equipment . . . . . 21,675,000

(c) Reimbursements . . . . . -9,180,000

(d) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-0042) . . . . . -2,295,000

(e) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 8660-001-0046) . . . . . -2,403,000

(f) Amount payable from the Transportation Rate Fund (Item 8660-001-0412) . . . . . -6,743,000

(g) Amount payable from the Public Utilities Commission Transportation Reimbursement Account, General Fund (Item 8660-001-0461) . . . . . -8,436,000

(h) Amount payable from the Federal Trust Fund (Item 8660-001-0890) . . . . . -494,000

1 SEC. 58. Sections 5 and 6 of this act shall become  
2 operative on January 1, 1997.

3 SEC. 59. No reimbursement is required by this act  
4 pursuant to Section 6 of Article XIII B of the California  
5 Constitution because the only costs that may be incurred  
6 by a local agency or school district will be incurred  
7 because this act creates a new crime or infraction,  
8 eliminates a crime or infraction, or changes the penalty  
9 for a crime or infraction, within the meaning of Section  
10 17556 of the Government Code, or changes the definition  
11 of a crime within the meaning of Section 6 of Article  
12 XIII B of the California Constitution.

13 Notwithstanding Section 17580 of the Government  
14 Code, unless otherwise specified, the provisions of this act  
15 shall become operative on the same date that the act  
16 takes effect pursuant to the California Constitution.

17 SEC. 60. This act is an urgency statute necessary for  
18 the immediate preservation of the public peace, health,  
19 or safety within the meaning of Article IV of the  
20 Constitution and shall go into immediate effect. The facts  
21 constituting the necessity are:

22 In order to ensure that motor carriers are properly  
23 insured and operate commercial vehicles in a safe  
24 manner, as soon as possible, and to ensure a smooth and  
25 immediate transition to the changed regulatory  
26 environment precipitated by federal legislation, it is  
27 necessary that this act take effect immediately.

